Approved: May 2, 2002 Carl D. Holmes
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 1:35 p.m. on April 2, 2002 in Room 526-S of the Capitol.

All members were present except: Representative Tricia Lightner
Representative Ward Loyd
Representative Judy Showalter

Committee staff present: Robert Chapman, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee: Mark Tallman, Kansas Association of School Boards

Others attending: See Attached List

SB 614 - Kansas Universal Service Fund funding for KAN-ED

Chairman Holmes opened the hearing on **SB 614**.

Mark Tallman, Assistant Executive Director for the Kansas Association of School Boards, spoke to the committee in support of **SB 614** (Attachment 1). Mr. Tallman stated that funding for the KAN-ED program was needed and this appeared to be a viable source. Mr. Tallman responded to questions from the committee.

Written testimony in support of **SB 614** was submitted by the Kansas Board of Regents (Attachment 2) and Schools for Quality Education (Attachment 3).

Additionally, Janet Buchanan, Chief of Telecommunications for the Utility Division of the Kansas Corporation Commission, answered questions.

Chairman Holmes closed the hearing on **SB 614**.

Chairman Holmes announced we had all four of our bills on General Orders above the line tomorrow.

Representative Long moved to approve the minutes of the February 18, February 19, February 20, and February 21 meetings. Representative Dillmore seconded the motion. Motion carried.

Representatives from Kansas Farm Bureau distributed a memo (Attachment 4) requesting an amendment be considered on **House Substitute for Substitute SB 296**. This bill is one of the four above the line on tomorrow's General Orders.

The meeting adjourned at 2:00 p.m.

The next meeting will be April 5, 2002.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: April 2, 2002

NAME	REPRESENTING
Janet Buchanan	KCC
Rebecca Gurney	Federico Consulting
Tom Gleason	Independent Telecom Group
Steve Johnson	Kansas Gas Service
Jim Gartner	SWBT
Mike Murray	Sprint
Jim Yonally	Verizon Wireless
Mark Tallman	KASB
Tom Day	KCC
Bruce Graham	KEPCo

KANSAS ASSOCIATION OF SCHOOL BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

Testimony on
SB 614 (Funding for KAN-ED)
Before the
House Committee on Utilities

By
Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards

April 2, 2002

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to testify in support of SB 614. The Kansas Association of School Boards has been a supporter of the KAN-ED educational technology network concept since the idea was originated several years ago. Technology has become an increasingly important element of school district operations, just as it has in the rest of society. KAN-ED is designed to help districts better use the Internet and distance learning opportunities. In addition, the benefits of KAN-ED are not limited to schools. This Legislature has endorsed this concept by passing a bill to establish the program last session. The question now is how the program will be financed.

Given the state's extremely challenging financial situation, it appears that the Legislature will need to find revenue sources outside the state general fund if KAN-ED is to be funded and implemented as provided by last year's legislation. KASB has not endorsed any particular method of funding KAN-ED.

SB 614 would use funding from the Kansas Universal Service Fund to implement KAN-ED, up to a limit of $10 million annually. The bill would also end this funding method on June 30, 2005, and shift financing to the state general fund. We would certainly support that approach, and recommend favorable action on this bill.

Thank you for your consideration.

HOUSE UTILITIES
DATE: 4-2-02
ATTACHMENT 1

KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

TELEPHONE – 785-296-3421
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www.kansasregents.org

Statement to the
House Utilities Committee
by Kim Wilcox, President and CEO
Kansas Board of Regents

April 2, 2002

Substitute S.B. 614

Chairman Holmes and members of the committee. I am Kim Wilcox, President and CEO of the Kansas Board of Regents and I appear before you today to offer support for the general concept outlined in Substitute S.B. 614.

The Board of Regents think that programs such as KAN-ED show innovation and provide a vehicle to continue to deliver a superior educational product to the library, education, health, and university communities, as well as all Kansan's. As you may be aware, this technology comes with a price tag of approximately $12 million annually. Jerry Niebaum, KAN-ED Coordinator, has been instrumental in generating private funds as well as coordinating the submission of an application for up to $1.8 million in funding from the federal universal service fund – also called the e-rate fund.

The Board of Regents has a contingent contract with the State Division of Information Systems and Communications to design, create, and support the KAN-ED statewide network for schools,

HOUSE UTILITIES
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ATTACHMENT 2

libraries, and hospitals. We believe it is economically prudent to use network resources of DISC to leverage the existing investment in state networking.

We find ourselves continually thinking of new ways to accomplish the various tasks that the Kansas Legislature has assigned to us; and we think that the components in S.B. 614 provide a solution to fund a program that is important to all Kansans. I believe that it is in the best interest of the KAN-ED program to identify a dedicated funding stream for long-term support.

Schools for Quality Education

Bluemont Hall Manhattan, KS 66506 (913) 532-5886

April 2, 2002

TO: House Utilities Committee

FROM: Schools for Quality Education – Jacque Oakes

SUBJECT: SB 614 – Kansas Universal Service Fund funding for KAN-ED

Mr. Chair and Members of the Committee:

Schools For Quality Education, an organization of 111 small school districts, is submitting written testimony in favor of SB 614 which would transfer money from the Kansas Universal Service Fund to KAN-ED.

We appreciate your hearing on this bill that would help create a funding mechanism to make KAN-ED become a reality.

Obviously, small schools have a large stake in seeing that this service arrives in their districts to better serve their students. It will be particularly beneficial in remote areas and extremely helpful to districts with short budgets and declining enrollments.

Please give your serious consideration to the passage of SB 614. Thank you for your time in hearing this bill.

HOUSE UTILITIES

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ATTACHMENT 3

Farm Bureau
Helping Feed the World

Kansas Farm Bureau

2627 KFB Plaza, Manhattan, Kansas 66503-8508 • 785.587.6000 • Fax 785.587.6914 • www.kfb.org
800 S.W. Jackson, Suite 817, Topeka, Kansas 66612 • 785.234.4535 • Fax 785.234.0278

April 2, 2002

TO: Chairman Holmes and
Members of the House Utilities Committee

FROM: Leslie Kaufman, Associate Director
Janet McPherson, Assistant Director
KFB Public Policy Division

RE: KFB Proposed Amendment to H. Sub. for Sub. SB 296
"No-Call Legislation

Following last week's Utilities Committee hearing on H. Sub. for Sub. SB 296, the Attorney General's office reviewed the language Kansas Farm Bureau presented with our testimony as a proposed amendment. After that review, the Assistant Attorney General informed us the AG's office would not object to that language if we deleted the limitation that the exempted associations be incorporated in Kansas. We have made that change and it is reflected in our current proposal, attached as a balloon.

Kansas Farm Bureau is not a "charity". Any exemption for charitable solicitation does not apply to the farm association and the county Farm Bureaus. Such exclusion may be available to our educational foundations, though.

As indicated in our earlier testimony, membership drives are critical to increasing Farm Bureau membership. The provisions of the current version Sub. SB 296 will place significant burdens on our volunteer members and the county staff, which, in most cases, are part-time employees.

We certainly appreciate the reasons "no-call" legislation is being considered. Still, we do not believe encumbering volunteer agricultural organizations, such as Farm Bureau, significantly advances the state toward these public policy goals. We hope to see a floor amendment, such as the attached language or similar language, which will ensure agricultural organizations are not unduly burdened.

We appreciate your consideration of our proposals. Hopefully, the organizational interests of farmers and ranchers across Kansas will be protected with the adoption of our suggested change. Thank you.

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ATTACHMENT 4

KFB PROPOSED AMENDMENT
H. Sub. for Sub. SB 296 ("No Call")
April 1, 2002

Session of 2002

HOUSE Substitute for Substitute for SENATE BILL No. 296

By Committee on Utilities

3-28

AN ACT concerning certain unsolicited telephone calls; prohibiting certain acts and providing penalties for violations; amending K.S.A. 2001 Supp. 50-670 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2001 Supp. 50-670 is hereby amended to read as follows: 50-670. (a) As used in this section *and section 2, and amendments thereto*:

(1) "Consumer telephone call" means a call made by a telephone solicitor to the residence of a consumer for the purpose of soliciting a sale of any property or services to the person called, or for the purpose of soliciting an extension of credit for property or services to the person called, or for the purpose of obtaining information that will or may be used for the direct solicitation of a sale of property or services to the person called or an extension of credit for such purposes;.

(2) "Unsolicited consumer telephone call" means a consumer telephone call other than a call made:

(A) In response to an express request of the person called;

(B) primarily in connection with an existing debt or contract, payment or performance of which has not been completed at the time of such call; or

(C) to any person with whom the telephone solicitor or the telephone solicitor's predecessor in interest ~~had an existing business relationship if the solicitor is not an employee, a contract employee or an independent contractor of a provider of telecommunications services, or~~ *has an established business relationship, unless the consumer has objected to such consumer telephone calls and requested that the telephone solicitor cease making consumer telephone calls.*

(3) "Telephone solicitor" means any natural person, firm, organization, partnership, association or corporation who makes or causes to be made a consumer telephone call, including, but not limited to, calls made by use of automatic dialing-announcing device;.

Such definition shall not include any not-for-profit organization or charitable organization exempt from federal income taxation pursuant to section 501(c)(3) or 501 (c)(5) of the internal revenue code, which is agriculturally related.

(4) "Automatic dialing-announcing device" means any user terminal

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